

Testimony

Finance, Revenue and Bonding Committee

March 21, 2022

In support of SB 443 An Act Concerning the Tax Incidence Report, Tax Incidence Analysis and the Disclosure of Returns and Return Information

My name is Thomas Connolly and I am a resident of West Hartford and representing the Connecticut Communist Party. I am writing in support of SB 443.

We thank all those legislators who are working to create a fairer tax system in Connecticut.

The stark facts of income inequality revealed in the Tax Incidence Report are shocking. They show the need for further data and analysis in order to develop corrective legislation.

To put it simply, the Connecticut tax system is more regressive now than it was in 2014. As an example, the 2014 state tax incidence analysis developed by the Department of Revenue Services noted that the bottom 50% of earners contributed 23.6% of their income in taxes, but the top 1% contributed only 7.5 %. The state's 2022 tax incidence report notes that the bottom earners now pay 26% of their income in taxes while the ultra-wealthy effective tax rate has remained flat.

Since the start of the pandemic, Connecticut's 14 billionaires seized \$12.6 billion in additional wealth—while hundreds of thousands of the multi-racial working class, especially working people of color, are suffering.

Connecticut ranked second among all states in income inequality between 1979 and 2018, according to a 2019 National Academy of Sciences report. And our state worsens that problem with heavy reliance on regressive taxes — such as property and sales taxes — which charge all households the same rate regardless of their ability to pay.

The top 1% averages \$3.1 million in income, about 137 times that of the bottom half.

A government that cares for its people has the responsibility to ensure that all residents have their basic needs met by balancing the wealth of the state through taxing the rich.

Over the course of this legislative session, we will be working with others to fight to raise the taxes on the rich and reduce the burden on the multi-racial working class and small business. We encourage all legislators to examine your sense of equity and fairness and join the struggle for a better Connecticut and a recovery for all.

Tom Connolly